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Power in consolidation

IT Reseller spoke with Bill Parnell, CEO of newly formed Datalogic ADC, about the rationale behind the recently consolidated company, its solutions roadmap and current trends and channel opportunities within the autoID technology area.

In late 2011 Datalogic SpA. announced that its separate businesses, Datalogic Scanning, Datalogic Mobile, Enterprise Business Solutions and Evolution Robotics Retail, would become integrated to form Datalogic ADC (Automatic Data Capture) as of the beginning of 2012. This recent move is a major component in Datalogic Group's strategy for growth and in its plans to further bolster its competitiveness in two key markets: Automatic Data Capture (ADC) and Industrial Automation (IA). "Previously, we were in effect four separate businesses," explained Datalogic ADC's CEO, Bill Parnell, "and each had its own dedicated sales staff. We therefore had multiple sales people who often found themselves serving the same customers as other companies within our Group; particularly in retail. Therefore one of the main driving forces behind the decision to form Datalogic ADC was to offer one-stop shopping to all of our customers; not just in retail but throughout the ADC marketplace."

Strong channel relationship

Parnell added that as the new company was being conceptualised it realised it also had the ideal opportunity to look at which divisions had the best practices and which had the strongest go-to-market models. "Realising this opportunity, we took some time to develop a more consistent and comprehensive market model at the same time as we were forming our new company," he said. Parnell also made the point that one of the most important elements retained from the previous separate companies



Bill Parnell: Strong channel relationship.

within the Datalogic Group is the strong relationship and reliance on the channel. "We are first and foremost a partner company and value our distribution partners and value-added resellers immensely," said Parnell. "There are a few instances where we sell direct to the customer – for example, where one of the larger retail chains has expressly requested this type of relationship. Nevertheless, we remain, and will always remain, predominantly a channel-focused organisation."

Further developments

Parnell commented that the newly formed company will continue to offer all the well-established Datalogic solutions available for the autoID market. These include: the Magellan 8500Xt biopic scanner; LaneHawk bottom-of-the-basket (BOB) visual scanner; Joya self-shopping pod; Falcon X3, Kyman, Skorpio, Memor and Elf mobile computers, the Gryphon and QuickScan series of general-purpose handheld corded and cordless scanners; and the

PowerScan series of industrial handheld readers. However, Parnell added that the company is also dedicated to bringing to market new and innovative systems to the autoID marketplace. One example of this is a major new product development recently demonstrated at the National Retail Federation tradeshow in New York. The development in question is a 100 per cent digital image-based 'automated portal' checkout system. Although it is yet to be officially named or launched to market Datalogic ADC is planning an official unveiling in the latter part of 2012 or early in 2013. "At the show we received tremendous interest in the system from many of the world's top retailers," enthused Parnell. "Some people call it a 'tunnel' system since you can see the goods go through the point of sale. We refer to it as a 'portal' system. It's essentially a moving conveyor; consumers put their goods on the belt, the goods then go through the portal and everything is 'read' automatically. In this way, the new system can potentially double or even triple the speed of throughput at the point-of-sale."



Magellan 8500Xt bioptic scanner.



Elf mobile computer.

Parnell added that speed of throughput has been a problem for many retailers in the past; especially those that have invested in self-checkout solutions. "Speed of throughput can be quite slow using traditional methods, but if you compare our automated checkout system even to the fastest checker it is substantially faster and frees up the checker to provide a higher level of customer service. So it's a step function change." Parnell explained that, although this new solution hasn't yet been launched to market, it has already gone live in three retail stores in Europe; one in Germany, one in Sweden and another in Spain. "These retailers are beta testing the solution for a few months in order to fully understand the time and efficiency benefits it offers before looking to roll-out the system to other stores. Beyond productivity there are also clear benefits in loss prevention and improved ergonomics," he pointed out.

Good reception

And how has the formation of Datalogic ADC been received by Datalogic channel partners in Europe? "We started seeing a good reception from our partners immediately," said Parnell. "Again, I think this relates to the fact that rather than having two or three different entities to deal with our distributors and VARs now have a single point of contact and a more consolidated organisation. Our partners can also take advantage of our various service programmes, such

as EaseOfCare, to make their business process simpler and to improve their service levels. So I think the formation of Datalogic ADC really strengthens our channel relationships even further."

Solutions business unit

And what of other aspects of the Datalogic ADC roadmap? Parnell points out that surrounding the aforementioned automated portal scanning development is the establishment of a new Solutions business unit, which was recently launched. "A key component within this unit is one of our recent acquisitions, a company called Evolution Robotics Retail," explained Parnell. "Evolution Robotics Retail was attractive to us in the way it made use of image recognition software to identify items. With this methodology you don't need a barcode to recognise an item. And, as you can imagine, when an item passes through the image-based 'automated portal' scanning system, a barcode won't be read each and every time – maybe a few barcodes are covered up by other items, or maybe the barcode is damaged. So instead of relying on barcodes we can log an item by recognising a database of images. This camera technology is something that's new and exciting and able to be deployed in many different ways. For example, you can also monitor shelves or stock-outs. You can even monitor theft; if someone takes shelf items without paying for them an alert can be sent immediately to a store manager's portable data terminal (PDT), such as the Falcon or Elf. A camera can

also be incorporated in the ceiling at the point of sale; not so much to monitor people but to monitor transactions. For instance, if there's something that has been left on the cart that has not been scanned an alert goes to the checker to point out that they have missed an item."

Parnell also explained that another piece of the Solutions business group is the Enterprise Business Solutions (EBS) unit headquartered in Italy. The EBS unit develops complete self-shopping solutions and consumer relationship technologies for the retail world. Solutions currently available include the modular software, Shopevolution, together with its pod Joya. The raison d'être of the Business unit is to develop solutions for the modern world of retailing; analysing the retail dynamics with particular interest to customer behaviour, the main driver of retail market changes. "The EBS unit is dedicated to developing technology that enables shoppers to go through the store, scan their own goods, go to the checkout and pay and leave," explained Parnell. "We are now looking to integrate some of this self-shopping knowhow with the imaging recognition technology and traditional scanning technology to create revolutionary point-of-sale solutions. This is why many of the world's leading retailers are standing up and taking notice. We will continue to work with solutions providers and integrators to bring this technology to market in an effort to better meet the needs of retailers worldwide." ●